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## Chief Minister's Statement on the release of The Grace 1

On the 3<sup>rd</sup> July I specified the very large crude carrier, the Grace 1, under the Sanctions Regulations.

The designation of the vessel arose from information providing Her Majesty's Government of Gibraltar with reasonable grounds to suspect that the Grace 1 was being used in breach of applicable EU Sanctions against Syria.

The information suggested that the vessel was bound for the Baniyas Oil Refinery in Syria where it would supply its cargo of 2.1m barrels of crude oil to the Assad regime.

At 2am on 4th July 2019, the Grace 1 was detained by the Gibraltar law enforcement agencies with the support of the Royal Marines, upon having freely navigated out of the Straits and into British Gibraltar Territorial Waters.

The detention was subsequently confirmed and extended by the Chief Justice of the Supreme Court until a hearing earlier today.

In this time, investigations have been conducted which have produced evidence confirming that at the time of its detention the Grace 1 was indeed carrying its cargo to the Baniyas refinery in Syria.

This was in contravention of Article 14 of the EU Regulation on Sanctions on Syria.

Full details of that evidence are in the Legal Notice I have published today.

Given the surrounding political tensions that arose in respect of this matter, on the 19th July I met with Iranian officials in London in the spirit of seeking to de-escalate all aspects of the issues arising from the detention of Grace 1.

The meeting was both positive and constructive.

I made clear that our detention of the vessel related exclusively to the implementation of sanctions against Syria.

In the weeks that followed, we have continued to have constructive discussions with representatives of the Republic of Iran to facilitate the release of Grace 1 pursuant to the satisfaction of all legal requirements.

In that time, the owner of the cargo has been confirmed to be the National Iranian Oil Company and the vessel has been re-flagged under the flag of Iran itself and re-insured.



On 13 August, I received written assurance from the Republic of Iran that, if released, the destination of Grace 1 would not be an entity that is subject to European Union sanctions.

I welcome that assurance.

This is an important material change in the destination of the vessel and the beneficiary of its cargo.

Indeed, this assurance has the effect of ensuring that we have deprived the Assad regime in Syria of more than one hundred and forty million dollars of valuable crude oil.

Subsequently, a direct request was made to me by the Islamic Republic of Iran on 5th August for the release of the Grace 1 under Sections 38 and 39 of our Sanctions Act.

In light of the assurances we have received, there are no longer any reasonable grounds for the continued legal detention of the Grace 1 in order to ensure compliance with the EU Sanctions Regulation.

With effect from today I have therefore revoked the Specification of the Vessel.

Separately, the United States Department of Justice has requested that a new legal procedure for the detention of the vessel should be commenced.

That is a matter for our independent Mutual Legal Assistance authorities who will make an objective, legal determination of that request for separate proceedings.

The Grace 1 is therefore now released from detention under the Sanctions Act by operation of law as confirmed this afternoon by the Chief Justice of the Supreme Court.

The net effect is that this operation has become the most successful implementation of the European sanctions regime to date.

It also amounts to a demonstration that Gibraltar is a jurisdiction that acts in keeping with the law and is committed to the rules based, international legal order.

Gibraltar can be proud of the role it has discharged in guarding the entrance to the Mediterranean and enforcing EU sanctions.